

Tourism kicks goals for Australian economy, but backpackers dry up due to proposed tax

31 August 2016: The latest International Visitor Survey (IVS) figures released today highlight a continuing strong performance by the Australian tourism industry, with 10% growth in visitor arrivals to 7.2 million and record expenditure of \$38 billion (+14%) in the 2015-16 year, compared to the year before.

The only sector to have gone backwards is the backpacker sector, which saw a 7% reduction in visitor nights in 2015-16, and a 1% reduction in expenditure over the year, reinforcing a long term negative trend

Marginal gains in expenditure in NSW and Victoria could not offset major losses in Western Australia (-6.08%), Queensland (-5.06%), South Australia (-19.64%) and Northern Territory (-10.61%). Tasmania was the only strong backpacker market up 13.51%, although visitor nights in Hobart declined -12.15%.

“The Government deserves great praise for encouraging and promoting Australia’s outstanding tourism growth in the past two years,” said Tourism Accommodation Australia CEO, Carol Giuseppi.

“However, the spectre of the backpacker tax has clearly had an impact on backpacker numbers, as it is the only sector that has declined.

“Backpacker visitor nights are down particularly in Queensland, Western Australia and, the Northern Territory – the areas that most need backpackers for seasonal agriculture and tourism jobs.

“TAA has made submissions to the Federal Government arguing that the tax hike would provide a major disincentive to working holiday makers, and particularly backpackers, at a time when the industry was already experiencing shortages, particularly in regional and remote areas.

“We hope the current Government review will take into account the latest statistics, as clearly many areas are experiencing serious declines in backpacker numbers.

“Australia competes globally for backpacker tourism and this proposed tax is clearly having an impact on working and travelling in Australia at a time when the Government’s own commissioned survey identified the need for 123,000 additional workers in the hospitality and tourism industry by 2020.”

About Tourism Accommodation Australia

Tourism Accommodation Australia (TAA) represents the interests of Australia’s accommodation chains and individual members in the hotel, serviced apartment, integrated resort, motel and vacation ownership sectors. Servicing owners, operators, managers, franchises and other industry stakeholders, TAA is a division of the Australian Hotels Association, a federally registered organisation of employers representing hotels since 1836.

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